

**Personnel Management**

Washington, D.C. 20415

OCT 27 1982

In Reply Refer To

Your Reference

Honorable David A. Stockman  
Director  
Office of Management and Budget  
Washington, D.C. 20503

Attention: Assistant Director  
for Legislative Reference

Dear Mr. Stockman:

This is in response to your request for the views of the Office of Personnel Management on the Defense Department's proposed report on S. 2488, the "Defense Intelligence Agency Personnel Management Improvement Act of 1982."

S. 2488 would create personnel flexibilities for the Defense Intelligence Agency similar to those now available to CIA and NSA, by creating a separate authority for appointment, classification, and pay of personnel, authorizing the payment of certain allowances, and providing that the Secretary of Defense may terminate a DIA employee whenever necessary or advisable in the interests of the United States. The Department of Defense strongly supports enactment of S. 2488.

Considering this Administration's emphasis upon strengthening intelligence functions, OPM is convinced to reverse its historic opposition to this proposal. However, we recommend certain changes to the bill. On this basis, we suggest that the Defense Department's proposed report be amended to reflect several changes which would improve the bill. In brief, these are: clarify the authority for separate DIA classification and pay systems by specifically amending chapter 51 of title 5, United States Code, and section 5342 of that title, to exclude the DIA; spell out that the basis for allowances for DIA employees, not merely the maximum allowance, is the same as that under section 5941(a) of title 5, United States Code; and use NSA rather than CIA as the model for the termination provision, so that the Secretary of Defense, or other high Executive Level official, would first have to find that the normally applicable procedures cannot be invoked consistently with the national security, before using his separate authority for termination.

Sincerely yours,



Donald J. Devine  
Director

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